

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS		X		
5	DDI				
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
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SUSPENSE _____ Date _____

Remarks

Date

Executive Secretary

20 Jan '87

Date

3637 (10-81)

STAT

Rec: ER 20 Jan 87



Office of the Director

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

Executive Registry

87-0171x

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Constance Horner
DirectorSUBJECT: Consistent Federal Pay Administration
Policy in Fiscal Year 1987

Public Law 99-500 and Public Law 99-591 provide for General Schedule increases of 3 percent for FY 1987, effective in January 1987, and permit increases for certain prevailing rate employees not to exceed the percentage increase for the General Schedule. These laws also require that increases for the prevailing rate employees be delayed 90 days beyond their normal effective dates.

Many of you have independent statutory authority to set pay for special groups of employees. In the interest of government-wide consistency and support for the clear intentions of the President and the Congress, I urge you to exercise this authority with prudence and restraint. Pay increases beyond the 3 percent limit for FY 87 should be restricted, wherever possible, to those required by law, contract, or treaty, or that are absolutely necessary to achieve critical staffing objectives.

Pay increase limitations have been in effect for nine consecutive years and, with deficit reduction efforts, are likely to continue in some form into future fiscal years. Please bear this in mind as you negotiate contracts that prescribe pay increases for future years.